

AMENDMENTS TO LB 603

Introduced by Education

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 32-515, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 32-515 Candidates for the boards of educational service
6 units, except boards of educational service units with only
7 one member school district, shall be elected to represent the
8 geographical boundaries of the educational service unit as provided
9 in section 79-1217. The terms of members elected in 2008 to
10 represent odd-numbered election districts established pursuant to
11 section 13 of this act shall expire in 2011. The terms of members
12 elected in 2008 to represent even-numbered election districts
13 established under such section shall expire in 2013. Successors
14 to the members elected in 2008 initially appointed to the board
15 shall be elected for terms of four years. County candidates shall
16 file their written applications with the election commissioner or
17 county clerk no later than the deadline prescribed in subsection
18 (2) of section 32-606. Candidates for the position of members at
19 large shall file their written applications with the Secretary of
20 State no later than the deadline prescribed in subsection (2) of
21 section 32-606. Candidates for the board of educational service
22 units shall meet the qualifications found in such section 79-1217.
23 Board members shall be elected on the nonpartisan ballot.

1 Sec. 2. Section 32-607, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 32-607 All candidate filing forms shall contain the
4 following statement: I hereby swear that I will abide by the laws
5 of the State of Nebraska regarding the results of the primary and
6 general elections, that I am a registered voter and qualified to be
7 elected, and that I will serve if elected. Candidate filing forms
8 shall be filed with the following filing officers:

9 (1) For candidates for national, state, or congressional
10 office, directors of public power and irrigation districts,
11 directors of reclamation districts, directors of natural resources
12 districts, members ~~at large~~ of the boards of educational service
13 units, members of governing boards of community colleges, delegates
14 to national conventions, and other offices filled by election held
15 in more than one county and judges desiring retention, in the
16 office of the Secretary of State;

17 (2) For officers elected within a county, in the office
18 of the election commissioner or county clerk. If the candidate is
19 not a resident of the county, he or she shall submit a certificate
20 of registration obtained under section 32-316 with the candidate
21 filing form;

22 ~~(3) For representatives from the county in which they~~
23 ~~reside on the boards of educational service units, in the office of~~
24 ~~the election commissioner or county clerk;~~

25 ~~(4)~~ (3) For officers in school districts which include
26 land in adjoining counties, in the office of the election
27 commissioner or county clerk of the county in which the greatest

1 number of registered voters entitled to vote for the officers
2 reside. If the candidate is not a resident of the county, he or she
3 shall submit a certificate of registration obtained under section
4 32-316 with the candidate filing form; and

5 ~~(5)~~ (4) For city or village officers, in the office
6 of the city or village clerk, except that in the case of joint
7 elections, the filing may be either in the office of the election
8 commissioner or county clerk or in the office of the city or
9 village clerk with deputized personnel. When the city or village
10 clerk is deputized to take filings, he or she shall return all
11 filings to the office of the election commissioner or county clerk
12 by the end of the next business day following the filing deadline.

13 Sec. 3. Section 79-1012, Revised Statutes Cumulative
14 Supplement, 2006, is amended to read:

15 79-1012 The School District Reorganization Fund is
16 created. The fund shall be administered by the department. The fund
17 shall consist of money transferred from the Education Innovation
18 Fund and shall be used to provide payments to reorganized school
19 districts pursuant to section 79-1011 through June 30, 2008, and
20 to provide temporary funding for aggregation routing equipment and
21 network transport costs for Network Nebraska pursuant to section
22 31 of this act through June 30, 2010. Any money in excess of
23 the difference of two hundred thousand dollars minus any amount
24 previously used to provide temporary funding for aggregation
25 routing equipment and network transport costs for Network Nebraska
26 pursuant to section 31 of this act remaining in the fund on July
27 1, 2008, shall be transferred to the Education Innovation Fund

1 on such date. Any money remaining in the ~~fund~~ School District
2 Reorganization Fund on July 1, ~~2008~~, 2010, shall be transferred to
3 the ~~General~~ Education Innovation Fund on such date. Any money in
4 the School District Reorganization Fund available for investment
5 shall be invested by the state investment officer pursuant to
6 the Nebraska Capital Expansion Act and the Nebraska State Funds
7 Investment Act.

8 Sec. 4. Section 79-1018.01, Revised Statutes Cumulative
9 Supplement, 2006, is amended to read:

10 79-1018.01 Local system formula resources include other
11 actual receipts available for the funding of general fund operating
12 expenditures as determined by the department for the second school
13 fiscal year immediately preceding the school fiscal year in which
14 aid is to be paid, except that receipts from the Community
15 Improvements Cash Fund, receipts acquired pursuant to the Low-Level
16 Radioactive Waste Disposal Act, and, beginning with the calculation
17 of state aid to be distributed in school fiscal year 2004-05,
18 tuition receipts from converted contracts shall not be included.
19 Other actual receipts include:

- 20 (1) Public power district sales tax revenue;
- 21 (2) Fines and license fees;
- 22 (3) Tuition receipts from individuals, other districts,
23 or any other source except receipts derived from adult education,
24 tuition receipts from converted contracts, and receipts from
25 educational entities as defined in section 79-1332 for providing
26 distance education courses through the Distance Education Council
27 until July 1, 2008, and the Educational Service Unit Coordinating

1 Council on and after July 1, 2008, to such educational entities;

2 (4) Transportation receipts;

3 (5) Interest on investments;

4 (6) Other miscellaneous noncategorical local receipts,
5 not including receipts from private foundations, individuals,
6 associations, or charitable organizations;

7 (7) Special education receipts, excluding grant funds
8 received pursuant to section 9-812;

9 (8) Special education receipts and non-special education
10 receipts from the state for wards of the court and wards of the
11 state;

12 (9) All receipts from the temporary school fund.
13 Beginning with the calculation of aid for school fiscal year
14 2002-03 and each school fiscal year thereafter, receipts from
15 the temporary school fund shall only include receipts pursuant
16 to section 79-1035 and the receipt of funds pursuant to section
17 79-1036 for property leased for a public purpose as set forth in
18 subdivision (1)(a) of section 77-202;

19 (10) Motor vehicle tax receipts received on or after
20 January 1, 1998;

21 (11) Pro rata motor vehicle license fee receipts;

22 (12) Other miscellaneous state receipts excluding revenue
23 from the textbook loan program authorized by section 79-734;

24 (13) Impact aid entitlements for the school fiscal year
25 which have actually been received by the district to the extent
26 allowed by federal law;

27 (14) All other noncategorical federal receipts;

1 (15) All receipts pursuant to the enrollment option
2 program under sections 79-232 to 79-246;

3 (16) Receipts under the federal Medicare Catastrophic
4 Coverage Act of 1988, as such act existed on May 8, 2001, as
5 authorized pursuant to sections 43-2510 and 43-2511 but only to the
6 extent of the amount the local system would have otherwise received
7 pursuant to the Special Education Act; and

8 (17) Receipts for accelerated or differentiated
9 curriculum programs pursuant to sections 79-1106 to 79-1108.03.

10 Sec. 5. Section 79-1028, Revised Statutes Cumulative
11 Supplement, 2006, as affected by Referendum 2006, No. 422, is
12 amended to read:

13 79-1028 (1) A Class II, III, IV, V, or VI school
14 district may exceed its applicable allowable growth rate for (a)
15 expenditures in support of a service which is the subject of
16 an agreement or a modification of an existing agreement whether
17 operated by one of the parties to the agreement or an independent
18 joint entity or joint public agency, (b) expenditures to pay for
19 repairs to infrastructure damaged by a natural disaster which is
20 declared a disaster emergency pursuant to the Emergency Management
21 Act, (c) expenditures to pay for judgments, except judgments
22 or orders from the Commission of Industrial Relations, obtained
23 against a school district which require or obligate a school
24 district to pay such judgment, to the extent such judgment is not
25 paid by liability insurance coverage of a school district, (d)
26 expenditures to pay for sums agreed to be paid by a school district
27 to certificated employees in exchange for a voluntary termination

1 of employment, or (e) expenditures to pay for lease-purchase
2 contracts approved on or after July 1, 1997, and before July
3 1, 1998, to the extent the lease payments were not budgeted
4 expenditures for fiscal year 1997-98.

5 (2) A Class II, III, IV, V, or VI district may exceed its
6 applicable allowable growth rate by a specific dollar amount if the
7 district projects an increase in formula students in the district
8 over the current school year greater than twenty-five students
9 or greater than those listed in the schedule provided in this
10 subsection, whichever is less. Districts shall project increases
11 in formula students on forms prescribed by the department. The
12 department shall approve, deny, or modify the projected increases.

13	Average daily	Projected increase
14	membership of	of formula students
15	district	by percentage
16	0 - 50	10
17	50.01 - 250	5
18	250.01 - 1,000	3
19	1,000.01 and over	1

20 The department shall compute the district's estimated
21 allowable budget per pupil using the budgeted general fund
22 expenditures found on the budget statement for the current school
23 year divided by the number of formula students in the current
24 school year and multiplied by the district's applicable allowable
25 growth rate. The resulting allowable budget per pupil shall be
26 multiplied by the projected formula students to arrive at the
27 estimated budget needs for the ensuing year. The department

1 shall allow the district to increase its general fund budget
2 of expenditures for the ensuing school year by the amount
3 necessary to fund the estimated budget needs of the district
4 as computed pursuant to this subsection. On or before July
5 1, the department shall make available to districts which have
6 been allowed additional growth pursuant to this subsection the
7 necessary document to recalculate the actual formula students of
8 such district. Such document shall be filed with the department
9 under subsection (1) of section 79-1024.

10 (3) A Class II, III, IV, V, or VI district may exceed
11 its applicable allowable growth rate by a specific dollar amount
12 if construction, expansion, or alteration of district buildings
13 will cause an increase in building operation and maintenance
14 costs of at least five percent. The department shall document
15 the projected increase in building operation and maintenance costs
16 and may allow a Class II, III, IV, V, or VI district to exceed
17 its applicable allowable growth rate by the amount necessary to
18 fund such increased costs. The department shall compute the actual
19 increased costs for the school year and shall notify the district
20 on or before July 1 of the recovery of the additional growth
21 pursuant to this subsection.

22 (4) A Class II, III, IV, V, or VI district may exceed its
23 applicable allowable growth rate by a specific dollar amount if the
24 district demonstrates to the satisfaction of the department that
25 it will exceed its applicable allowable growth rate as a result
26 of costs pursuant to the Retirement Incentive Plan authorized
27 in section 79-855 or the Staff Development Assistance authorized

1 in section 79-856. The department shall compute the amount by
2 which the increased cost of such program or programs exceeds the
3 district's applicable allowable growth rate and shall allow the
4 district to increase its general fund expenditures by such amount
5 for that fiscal year.

6 (5) A Class II, III, IV, or V district may exceed its
7 applicable allowable growth rate by the specific dollar amount of
8 incentive payments or base fiscal year incentive payments to be
9 received in such school fiscal year pursuant to section 79-1011.

10 (6) A Class II, III, IV, V, or VI district may exceed
11 its applicable allowable growth rate by a specific dollar amount
12 in any year for which the state aid calculation for the local
13 system includes students in the qualified early childhood education
14 fall membership of the district for the first time or for a year
15 in which an early childhood education program of the district is
16 receiving an expansion grant. The department shall compute the
17 amount by which the district may exceed the district's applicable
18 allowable growth rate by multiplying the cost grouping cost
19 per student for the applicable cost grouping by the district's
20 adjusted formula students attributed to early childhood education
21 programs if students are included in the district's qualified
22 early childhood education fall membership for the first time or by
23 the district's adjusted formula students attributed to such early
24 childhood education programs minus the district's adjusted formula
25 students attributed to such early childhood education programs for
26 the prior school fiscal year if a program is receiving an expansion
27 grant in the school fiscal year for which the fall membership is

1 measured. The department shall allow the district to increase its
2 general fund expenditures by such amount for such school fiscal
3 year.

4 (7) For school fiscal year 2005-06, a Class II, III, IV,
5 V, or VI district may exceed its applicable allowable growth rate
6 by a specific dollar amount not to exceed seventy-four hundredths
7 percent of the amount budgeted for employee salaries for such
8 school fiscal year. For school fiscal year 2006-07, a Class II,
9 III, IV, V, or VI district may exceed its applicable allowable
10 growth rate by a specific dollar amount not to exceed fifty-nine
11 hundredths percent of the amount budgeted for employee salaries for
12 such school fiscal year.

13 (8) A Class II, III, IV, or V district that is a
14 member of a learning community may exceed its applicable allowable
15 growth rate for the first school fiscal year in which the school
16 district will be a member of a learning community for the full
17 school fiscal year by an amount equal to anticipated increases in
18 transportation expenditures necessary to meet the requirements of
19 subsection (2) of section 79-611 as approved by the department. The
20 department shall approve, deny, or modify the amount allowed
21 for anticipated increases in transportation expenditures. The
22 department shall compute the actual increase in transportation
23 expenditures necessary to meet the requirements of subsection (2)
24 of section 79-611 for such school fiscal year and shall, if needed,
25 modify the district's applicable allowable growth rate for the
26 ensuing school fiscal year.

27 (9) For school fiscal year 2008-09, a Class II, III,

1 IV, or V district may exceed its applicable allowable growth
2 rate by a specific dollar amount if the sum of the poverty
3 allowance, elementary class size allowance, focus school and
4 program allowance, and limited English proficiency allowance for
5 the school district for school fiscal year 2008-09 exceeds the
6 poverty weightings plus limited English proficiency weightings
7 multiplied by the cost grouping cost per student for the school
8 district for school fiscal year 2007-08. The department shall
9 compute the amount by which the district may exceed the applicable
10 allowable growth rate by subtracting the product of the sum of
11 the poverty weightings and limited English proficiency weightings
12 for school fiscal year 2007-08 multiplied by the average formula
13 cost per student in the school district's cost grouping for school
14 fiscal year 2007-08 from the sum of the school fiscal year 2008-09
15 poverty allowance, elementary class size allowance, focus school
16 and program allowance, and limited English proficiency allowance
17 for the school district. The department shall allow the district to
18 increase its general fund expenditures by such amount for school
19 fiscal year 2008-09.

20 (10) For school fiscal year 2009-10 and each school
21 fiscal year thereafter, a Class II, III, IV, or V district may
22 exceed its applicable allowable growth rate by a specific dollar
23 amount if the sum of the poverty allowance, elementary class size
24 allowance, focus school and program allowance, and limited English
25 proficiency allowance for the school district has grown at a rate
26 higher than the applicable allowable growth rate of the district.
27 The department shall compute the amount by which the district

1 may exceed the applicable allowable growth rate by subtracting
2 the product of the sum of the poverty allowance, elementary class
3 size allowance, focus school and program allowance, and limited
4 English proficiency allowance for the immediately preceding school
5 fiscal year multiplied by the sum of one plus the applicable
6 allowable growth rate to be exceeded from the sum of the poverty
7 allowance, elementary class size allowance, focus school and
8 program allowance, and limited English proficiency allowance for
9 the district for the school fiscal year for which the applicable
10 allowable growth rate would be exceeded. The department shall allow
11 the district to increase its general fund expenditures by such
12 amount for the applicable school fiscal year.

13 (11) A Class II, III, IV, or V school district may
14 exceed its applicable allowable growth rate by a specific dollar
15 amount not to exceed the amount received during such school fiscal
16 year from educational entities as defined in section 79-1332 for
17 providing distance education courses through the Distance Education
18 Council until July 1, 2008, and the Educational Service Unit
19 Coordinating Council on and after July 1, 2008, to such educational
20 entities.

21 (12) A Class II, III, IV, or V school district may exceed
22 its applicable allowable growth rate for school fiscal year 2007-08
23 by a specific dollar amount equal to the amount paid in school
24 fiscal year 2006-07 to any distance education consortium in which
25 the school district was participating pursuant to an interlocal
26 agreement.

27 Sec. 6. Section 79-1201, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-1201 Sections 79-1201 to 79-1244 and sections 8, 13
3 to 18, and 22 of this act shall be known and may be cited as the
4 Educational Service Units Act.

5 Sec. 7. Section 79-1201.01, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-1201.01 For purposes of the Educational Service Units
8 Act:

9 (1) Distance education course means a course with at
10 least one student in any of grades kindergarten through twelve
11 who is in a different location than the teacher and taught by a
12 teacher employed by an educational entity either utilizing two-way
13 interactive video or the Internet without two-way interactive
14 video. Distance education course includes a dual-enrollment course
15 with at least one student who is in a different location than the
16 teacher and taught by a teacher employed by an educational entity
17 utilizing either two-way interactive video or the Internet without
18 two-way interactive video;

19 (2) Dual-enrollment course means a course taught to
20 students for credit at both a high school and a postsecondary
21 educational institution;

22 (3) Educational entity means a school district, a
23 private, denominational, or parochial school, an educational
24 service unit, a community college, a state college, the University
25 of Nebraska, or a nonprofit private postsecondary educational
26 institution;

27 (4) Elementary distance education course means a distance

1 education course which is delivered utilizing two-way interactive
2 video to students who are enrolled in any of grades kindergarten
3 through eight;

4 (5) Network Nebraska means the network created pursuant
5 to section 86-5,100;

6 (6) Qualified distance education course means a distance
7 education course which meets any applicable rules and regulations
8 of the State Department of Education, is offered for one semester
9 of high school credit or the equivalent, and for which all of the
10 participating educational entities are required to have access to
11 Network Nebraska;

12 ~~(1)~~ (7) Technical training means training to equip
13 educators with knowledge about the skills and tools necessary
14 to infuse technological resources and software applications into
15 the curriculum to be used in classrooms with and by students
16 and includes, but is not limited to, computer workstation
17 troubleshooting, distance education, educational software, Internet
18 resources, local area network management, multimedia presentation
19 tools, and strategic planning;

20 ~~(2)~~ (8) Technology includes technical training and
21 technology infrastructure; and

22 ~~(3)~~ (9) Technology infrastructure means hardware-related
23 items necessary for schools to interact electronically throughout
24 the state, including, but not limited to, physical connections,
25 wiring, servers, routers, switches, domain name service, and
26 operating systems and human resources necessary to maintain
27 infrastructure, including, but not limited to, systems engineers,

1 programmers, webmasters, and help desk staff; and -

2 (10) Two-way interactive video distance education course
3 means a distance education course in which a teacher delivers
4 instruction to students in a different location than the teacher
5 using two-way interactive video on at least two different days per
6 week during the course.

7 Sec. 8. On or before July 31, 2007, and on or before
8 July 31 of each year thereafter, the State Board of Education
9 shall adjust the boundaries of any educational service unit the
10 boundaries of which do not align with the boundaries of the member
11 school districts on July 1 of such year. Such boundary adjustments
12 shall align the boundaries of the educational service unit with
13 the boundaries of the member school districts as the boundaries of
14 the member school districts existed on July 1 of such year. Such
15 boundary adjustments shall be referred to the appropriate county
16 and educational service unit officials, and such officials shall
17 implement the adjustments and make the necessary changes in the
18 educational service unit maps and tax records.

19 Sec. 9. Section 79-1208, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-1208 Petitions to the State Board of Education
22 to change educational service unit boundaries shall include a
23 description of the proposed boundaries and shall be accompanied
24 by a plan of reorganization which shall include (1) a summary
25 of the reasons for the proposed reorganization, (2) a plan for
26 the provision of services to school districts affected by any
27 reorganization plan, (3) ~~in cases~~ when a petition proposes the

1 dissolution of an entire educational service unit or units for
2 attachment to an existing educational service unit or for the
3 merger of two or more educational service units into a new
4 educational service unit, a summary of the terms on which such
5 reorganization is made, including provision for the utilization of
6 existing facilities, equipment, and materials and provision for the
7 disposition of assets and any unbonded indebtedness of affected
8 educational service units, ~~and~~ (4) when a petition deals with the
9 attachment of new territory to an existing educational service
10 unit, verification of approval by majority vote of the receiving
11 educational service unit governing board, and (5) a plan for the
12 establishment of new election districts as required under section
13 79-1217.

14 Sec. 10. Section 79-1211, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-1211 The State Board of Education, within ninety
17 days after the receipt of any ~~such~~ petition described in section
18 79-1208, shall hold a public hearing on the proposed reorganization
19 plan. At the board's option, it may appoint a hearing officer
20 to conduct the public hearing and ~~recommend a decision to issue~~
21 a summary of the evidence presented. The board may also direct
22 the appointed hearing officer to recommend a decision to the
23 board, which recommendation shall not be binding on the board.
24 Within one hundred twenty days after the receipt of such petition,
25 the board shall approve or reject such petition. If the board
26 rejects the petition, it shall clearly state its reasons for such
27 rejection. Approved petitions for reorganization of educational

1 service unit boundaries shall be referred to the appropriate county
2 and educational service unit officials to implement the plan and to
3 make the necessary changes in the educational service unit maps and
4 tax records.

5 Sec. 11. Section 79-1212, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-1212 Members of boards of educational service units
8 existing prior to approval of any plan of reorganization shall
9 serve as board members of educational service units which are
10 reorganized pursuant to sections 79-1206 to 79-1211 until the
11 expiration of their original terms. Such persons shall be members
12 of the board of the reorganized educational service unit in which
13 they reside. Within thirty days after approval of any plan of
14 reorganization by the State Board of Education, the Commissioner of
15 Education shall call a meeting of board members of each educational
16 service unit being reorganized pursuant to sections 79-1206 to
17 79-1211. At such meeting, members of each such board shall appoint
18 one member from each ~~county~~ election district to be created
19 pursuant to the plan of reorganization not having representation
20 on such board to serve until the next general election. The board
21 shall take all necessary action to prepare for operation of the
22 reorganized educational service unit commencing one year following
23 approval of any plan of reorganization by the State Board of
24 Education. Expenses incurred by such board prior to such times
25 shall be prorated between the counties comprising the educational
26 service unit on the basis of the assessed valuation of such
27 counties.

1 Sec. 12. Section 79-1217, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-1217 (1) All educational service units, ~~except~~
4 ~~Educational Service Units No. 18 and 19,~~ shall be governed by a
5 board to be known as the Board of Educational Service Unit No.
6 The Until the first Thursday after the first Tuesday
7 in January 2009, the educational service unit board, except the
8 board of an educational service unit with only one member school
9 district, shall be composed of one member from each county and four
10 members at large, all of whom shall reside within the geographical
11 boundaries of the educational service unit, but no more than two
12 of the members at large shall be appointed or elected from the
13 same county unless any one county within the educational service
14 unit has a population in excess of one hundred fifty thousand
15 inhabitants or the educational service unit consists of only one
16 county. ~~The four candidates who receive the highest number of~~
17 ~~votes for at-large representative shall be elected, except that~~
18 ~~if more than two of such candidates reside within the same county~~
19 ~~which has a population of one hundred fifty thousand inhabitants~~
20 ~~or less, the candidates from such county receiving fewer votes~~
21 ~~than the two candidates receiving the highest number of votes for~~
22 ~~at-large representative from such county shall not be elected and a~~
23 ~~vacancy or vacancies shall exist for at-large representative. The~~
24 ~~vacancy shall be filled pursuant to subsection (2) of this section.~~
25 Beginning on the first Thursday after the first Tuesday in January
26 2009, the educational service unit board, except the board of an
27 educational service unit with only one member school district,

1 shall be composed of one member elected to represent each election
2 district established pursuant to section 13 of this act. Successors
3 to the members initially appointed pursuant to section 79-1212
4 shall be elected pursuant to section 32-515.

5 (2) Vacancies in office shall occur as set forth in
6 section 32-560 except as otherwise provided in section 79-1212
7 regarding the requirement to live in the district represented.

8 Whenever any vacancy occurs on the board, the remaining members
9 of such board shall appoint an individual residing within the
10 ~~geographical boundaries~~ election district of the educational
11 service unit for which the vacancy exists and meeting the
12 qualifications for the office to fill such vacancy for the balance
13 of the unexpired term.

14 (3) Members of the board shall receive no compensation
15 for their services but shall be reimbursed for the actual and
16 necessary expenses incurred in the performance of their duties
17 under the Educational Service Units Act as provided in sections
18 81-1174 to 81-1177.

19 (4) Except as provided in subsection (5) of this section,
20 any joint school district located in two or more counties shall
21 be considered a part of the educational service unit in which the
22 greater number of school-age children of such joint school district
23 reside. ~~All legal voters of any such joint school district shall be~~
24 ~~eligible to hold office as the county representative of the county~~
25 ~~in which the greater number of school-age children reside. Any~~
26 ~~legal voter of any joint school district shall be eligible to hold~~
27 ~~office as the at-large representative if such legal voter resides~~

1 ~~within the geographical boundary of the school district comprising~~
2 ~~the educational service unit.~~

3 (5) Any Class I district which is part of a Class VI
4 district shall be considered a part of the educational service
5 unit of which the Class VI district is a member. If the Class
6 VI district has removed itself from an educational service unit,
7 each Class I district which is part of such Class VI district may
8 continue its existing membership in an educational service unit
9 or may change its status relative to membership in an educational
10 service unit in accordance with section 79-1209. The patrons of a
11 Class I district maintaining membership in an educational service
12 unit pursuant to this subsection shall have the same rights and
13 privileges as other patrons of the educational service unit, and
14 the taxable valuation of the taxable property within the geographic
15 boundaries of such Class I district shall be subject to the
16 educational service unit's tax levy established pursuant to section
17 79-1225.

18 (6) The administrator of each educational service unit,
19 prior to July 1 of each year in which a statewide primary election
20 is to be held, shall certify to the election commissioner or county
21 clerk of each county located within the unit the corporate name
22 of each school district, as described in section 79-405, located
23 within the county. If a school district is a joint school district
24 located in two or more counties, the administrator shall certify to
25 each election commissioner or county clerk the educational service
26 unit of which the school district is considered to be a part.

27 (7) Educational ~~Service Unit No. 18~~ service units with

1 only one member school district shall be governed by the school
2 board of School District 55-001 of Lancaster County. such school
3 district.

4 ~~(8) Educational Service Unit No. 19 shall be governed by~~
5 ~~the school board of School District 28-001 of Douglas County.~~

6 Sec. 13. By December 31, 2007, and after each decennial
7 census pursuant to section 32-553, each educational service unit
8 board, except boards of educational service units with only
9 one member school district, shall divide the territory of the
10 educational service unit into at least five and up to twelve
11 numbered districts for the purpose of electing members to the board
12 in compliance with section 32-553. The newly established election
13 districts shall apply beginning with the nomination and election of
14 educational service unit board members in 2008.

15 Sec. 14. The Educational Service Unit Coordinating
16 Council is created as of July 1, 2008. On such date the assets and
17 liabilities of the Distance Education Council shall be transferred
18 to the Educational Service Unit Coordinating Council. The council
19 shall be composed of one administrator from each educational
20 service unit. The council shall be funded from one percent of the
21 core services funding appropriated pursuant to section 79-1241,
22 appropriations by the Legislature for distance education, and fees
23 established for services provided to educational entities.

24 Sec. 15. (1) The Educational Service Unit Coordinating
25 Council shall work toward statewide coordination to provide the
26 most cost-effective services for the students, teachers, and school
27 districts in each educational service unit. The council's duties

1 include, but are not limited to:

2 (a) Preparation of strategic plans to assure the
3 cost-efficient and equitable delivery of services across the state;

4 (b) Administration of statewide initiatives and provision
5 of statewide services; and

6 (c) Coordination of distance education.

7 (2) All activities conducted by the council shall be
8 conducted in accordance with the Open Meetings Act. This section
9 does not require or provide for state control of the operations
10 of any educational service unit or abridge the governance ability,
11 rights, or responsibilities of any educational service unit board.

12 Sec. 16. The Educational Service Unit Coordinating
13 Council shall appoint a distance education director and may appoint
14 a council director, both of whom shall hold office at the pleasure
15 of the council, except that the person serving as the administrator
16 of the Distance Education Council immediately preceding the
17 operative date of this section shall be the initial distance
18 education director under this section. The council director and
19 the distance education director shall receive such salaries as
20 the council determines and shall be reimbursed for their actual
21 expenses incurred in the performance of their duties as provided
22 in sections 81-1174 to 81-1177.

23 The council director and the distance education director
24 shall perform duties as the council directs and shall not be
25 members of the council. The council may also appoint or retain
26 such other persons as it may deem necessary for the performance
27 of its functions and shall prescribe their duties, fix their

1 compensation, and provide for reimbursement of their actual and
2 necessary expenses as provided in sections 81-1174 and 81-1177
3 within the amounts available in the budget of the council.

4 Sec. 17. Section 79-1334, Revised Statutes Cumulative
5 Supplement, 2006, is amended to read:

6 ~~79-1334~~ The powers and duties of the ~~Distance Education~~
7 Educational Service Unit Coordinating Council include, but are not
8 limited to:

9 (1) Providing public access to lists of qualified
10 distance education courses;

11 (2) Collecting and providing school schedules for
12 participating educational entities;

13 (3) Facilitation of scheduling for qualified distance
14 education courses;

15 (4) Brokering of qualified distance education courses to
16 be purchased by educational entities;

17 (5) Assessment of distance education needs and evaluation
18 of distance education services;

19 (6) Compliance with technical standards as set forth
20 by the Nebraska Information Technology Commission and academic
21 standards as set forth by the State Department of Education related
22 to distance education;

23 (7) Establishment of a system for prioritizing courses if
24 the demand for Network Nebraska exceeds the capacity available for
25 distance education and for choosing receiving educational entities
26 when the demand for a course exceeds the capacity as determined by
27 either the technology available or the course provider;

1 (8) Scheduling and prioritization for access to Network
2 Nebraska by educational entities in cooperation with the Chief
3 Information Officer and using scheduling software or scheduling
4 services which meet any applicable standards established by the
5 commission;

6 (9) Administration of learning management systems that
7 are in compliance with any applicable standards of the commission
8 either through the staff of the council or by delegation to an
9 appropriate educational entity with the funding for such systems
10 provided by participating educational entities; and

11 (10) Coordination with educational service units and
12 postsecondary educational institutions to provide assistance for
13 instructional design for both two-way interactive video distance
14 education courses and the offering of graduate credit courses in
15 distance education.

16 Sec. 18. Section 79-1335, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 ~~79-1335 The Distance Education~~ Educational Service Unit
19 Coordinating Council shall only provide assistance in brokering
20 or scheduling courses to educational entities that have access
21 to Network Nebraska. All costs to the council associated with
22 assisting private, denominational, or parochial schools and
23 private postsecondary educational institutions shall be paid by
24 such private, denominational, or parochial school or private
25 postsecondary educational institution. Any services of the council
26 may also be offered to other public entities with access to
27 Network Nebraska on a contractual basis. The council shall not

1 approve technology purchases for the council in excess of ten
2 thousand dollars without approval of the technical panel of the
3 Nebraska Information Technology Commission that the purchases are
4 in compliance with any applicable commission standards.

5 Sec. 19. Section 79-1223, Revised Statutes Cumulative
6 Supplement, 2006, is amended to read:

7 79-1223 In order to carry out the purposes provided in
8 section 79-1204, educational service units may purchase, lease,
9 or lease-purchase real estate, equipment, supplies, services,
10 and personal property for their own use. Educational service
11 units may, either individually or collectively, purchase, lease,
12 lease-purchase, or act as purchase agent for administrative and
13 instructional supplies, instructional equipment, instructional
14 services, and personal property for resale only to educational
15 entities. ~~as defined in section 79-1332.~~ When an educational
16 service unit advertises for bids for administrative or
17 instructional supplies, instructional equipment, instructional
18 services, and personal property, acceptance of any bid submitted
19 to the educational service unit shall obligate the educational
20 service unit to award the contract in accordance with the plans
21 and specifications and in the quantities set forth in the bid
22 documents.

23 Sec. 20. Section 79-1233, Revised Statutes Cumulative
24 Supplement, 2006, is amended to read:

25 79-1233 Each educational service unit shall provide
26 access for all school districts within the geographical area
27 served by the unit to telecomputing resources, which shall include

1 the capacity to receive and transmit distance education courses
2 on at least a regional basis beginning on or before August 1,
3 2007, through the installation of necessary equipment at each
4 educational service unit location or through interlocal agreements
5 with other educational service units and shall provide support for
6 training users to meet their specific telecomputing and distance
7 education needs. School districts may annually elect prior to a
8 date determined by the educational service unit not to connect to
9 such telecomputing resources. Each educational service unit shall
10 also develop, with the State Department of Education, a plan which
11 provides for connecting the telecomputing and distance education
12 equipment of such school districts with the telecomputing and
13 distance education equipment of the unit.

14 The leasing or purchase of and planning for telecomputing
15 or distance education equipment and software for the educational
16 service units shall meet the minimum standards as set by the
17 Nebraska Information Technology Commission. The Chief Information
18 Officer shall bid for such equipment and software and shall allow
19 educational entities as defined in ~~section 79-1332~~ to participate
20 in such statewide leasing or purchasing contracts. Educational
21 service units may enter into agreements pursuant to the Interlocal
22 Cooperation Act and the Joint Public Agency Act to carry out this
23 section. Such agreements may include, but need not be limited
24 to, provisions requiring any school district having telecomputing
25 or distance education equipment connected to the educational
26 service unit's telecomputing or distance education equipment to
27 pay periodic fees necessary to cover the cost of such usage.

1 Sec. 21. Section 79-1241, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-1241 (1) For fiscal years prior to FY2008-09: Funds
4 appropriated for core services shall be distributed proportionally
5 to each educational service unit by the State Department of
6 Education based on the fall membership in member districts in the
7 preceding school fiscal year, except that no educational service
8 unit shall receive less than two and one-half percent of the funds
9 appropriated for core services.

10 (2) Any funds appropriated for distribution pursuant to
11 this section ~~for school fiscal year 2003-04 and each school fiscal~~
12 ~~year thereafter~~ shall be distributed in ten as nearly as possible
13 equal payments on the first business day of each month beginning
14 in September of each school fiscal year and ending in June.
15 Funds distributed pursuant to this section shall be used for core
16 services with the approval of representatives of two-thirds of the
17 member school districts, representing a majority of the students in
18 the member school districts. If a member school district provides
19 evidence satisfactory to the educational service unit that the
20 district will provide core services for itself in a cost-efficient
21 manner, the educational service unit may distribute funds directly
22 to the district to be used for providing core services, or if all
23 member school districts within the boundaries of an educational
24 service unit together provide evidence satisfactory to the State
25 Department of Education that the districts will provide core
26 services for themselves in a more cost-efficient manner than the
27 educational service unit, the department shall distribute funds

1 directly to the districts to be used for providing core services.

2 (3) If two or more educational service units merge, the
3 resulting merged educational service unit shall, for each of the
4 two fiscal years following the fiscal year in which the merger
5 takes place, receive core services funds under this section in
6 an amount not less than the total of the core services funds
7 that each of the merging educational service units received in
8 the fiscal year immediately preceding the merger, except that if
9 the appropriation for core services funds for either of the two
10 fiscal years following the fiscal year in which the merger takes
11 place is less than the appropriation for such funds for the fiscal
12 year immediately preceding the merger, core services funds shall
13 be reduced by a percentage equal to the ratio of the difference
14 of such appropriation for the fiscal year immediately preceding
15 the merger minus the appropriation for the fiscal year in question
16 divided by the appropriation for the fiscal year immediately
17 preceding the merger. Thereafter the distribution of core services
18 funds to the merged educational service unit shall be as provided
19 in subsection ~~(1)~~ (2) of this section.

20 Sec. 22. For school fiscal year 2008-09 and each school
21 fiscal year thereafter:

22 (1) One percent of the funds appropriated for core
23 services and technology infrastructure shall be transferred to
24 the Educational Service Unit Coordinating Council. The remainder
25 of such funds shall be distributed pursuant to subdivisions (2)
26 through (6) of this section;

27 (2)(a) The distance education and telecommunications

1 allowance for each educational service unit shall equal eighty-five
2 percent of the difference of the costs for telecommunications
3 services, for access to data transmission networks that transmit
4 data to and from the educational service unit, and for the
5 transmission of data on such networks paid by the educational
6 service unit as reported on the annual financial report for the
7 most recently available complete data year minus the receipts from
8 the federal Universal Service Fund pursuant to 47 U.S.C. 254,
9 as such section existed on January 1, 2007, for the educational
10 service unit as reported on the annual financial report for the
11 most recently available complete data year and minus any receipts
12 from school districts or other educational entities for payment
13 of such costs as reported on the annual financial report of the
14 educational service unit;

15 (b) The base allocation of each educational service unit
16 shall equal two and one-half percent of the funds appropriated for
17 distribution pursuant to this section;

18 (c) The satellite office allocation for each educational
19 service unit shall equal one percent of the funds appropriated
20 for distribution pursuant to this section for each office of
21 the educational service unit, except the educational service unit
22 headquarters, up to the maximum number of satellite offices. The
23 maximum number of satellite offices used for the calculation of
24 the satellite office allocation for any educational service unit
25 shall equal the difference of the ratio of the number of square
26 miles within the boundaries of the educational service unit divided
27 by four thousand minus one with the result rounded to the closest

1 whole number;

2 (d) The statewide adjusted valuation shall equal the
3 total adjusted valuation for all local systems pursuant to section
4 79-1016 used for the calculation of state aid for school districts
5 pursuant to the Tax Equity and Educational Opportunities Support
6 Act for the school fiscal year for which the distribution is being
7 calculated pursuant to this section;

8 (e) The adjusted valuation for each educational service
9 unit shall equal the total adjusted valuation of the member school
10 districts pursuant to section 79-1016 used for the calculation of
11 state aid for school districts pursuant to the act for the school
12 fiscal year for which the distribution is being calculated pursuant
13 to this section;

14 (f) The local effort rate shall equal \$0.0135 per one
15 hundred dollars of adjusted valuation;

16 (g) Except as provided in subdivision (5) of this
17 section, the statewide student allocation shall equal the
18 difference of the sum of the amount appropriated for distribution
19 pursuant to this section plus the product of the statewide adjusted
20 valuation multiplied by the local effort rate minus the distance
21 education and telecommunications allowance, base allocation, and
22 satellite office allocation for all educational service units;

23 (h) The sparsity adjustment for each educational service
24 unit shall equal the sum of one plus one-tenth of the ratio of the
25 square miles within the boundaries of the educational service unit
26 divided by the fall membership of the member school districts for
27 the school fiscal year immediately preceding the school fiscal year

1 for which the distribution is being calculated pursuant to this
2 section;

3 (i) The adjusted students for each educational service
4 unit shall equal the fall membership of the member school districts
5 for the school fiscal year immediately preceding the school fiscal
6 year for which aid is being calculated pursuant to this section
7 multiplied by the educational service unit sparsity adjustment;

8 (j) The per student allocation shall equal the statewide
9 student allocation divided by the total adjusted students for all
10 educational service units;

11 (k) The student allocation for each educational service
12 unit shall equal the per student allocation multiplied by the
13 adjusted students for the educational service units;

14 (l) The needs for each educational service unit shall
15 equal the sum of the distance education and telecommunications
16 allowance, base allocation, satellite office allocation, and
17 student allocation for the educational service unit; and

18 (m) The distribution of core services and technology
19 infrastructure funds for each educational service unit shall equal
20 the needs for each educational service unit minus the product of
21 the adjusted valuation for the educational service unit multiplied
22 by the local effort rate;

23 (3) If an educational service unit is the result of
24 a merger or received new member school districts from another
25 education service unit, such educational service unit shall, for
26 each of the two fiscal years following the fiscal year in which
27 the merger takes place or the new member school districts are

1 received, receive core services and technology infrastructure funds
2 pursuant to subdivisions (2) through (6) of this section in an
3 amount not less than the core services and technology funds
4 received in the fiscal year immediately preceding the merger or
5 receipt of new member school districts, except that if the total
6 amount available to be distributed pursuant to subdivisions (2)
7 through (6) of this section for such year is less than the
8 total amount distributed pursuant to such subsections or sections
9 79-1241 and 79-1243 for the immediately preceding fiscal year,
10 the minimum core services and technology infrastructure funds for
11 each educational service unit pursuant to this subsection shall be
12 reduced by a percentage equal to the ratio of the difference of
13 the total amount distributed pursuant to subdivisions (2) through
14 (6) of this section or sections 79-1241 and 79-1243 for the
15 immediately preceding fiscal year minus the total amount available
16 to be distributed pursuant to subdivisions (2) through (6) of
17 this section for the fiscal year in question divided by the total
18 amount distributed pursuant to subdivisions (2) through (6) of
19 this section or sections 79-1241 and 79-1243 for the immediately
20 preceding fiscal year. The core services and technology funds
21 received in the fiscal year immediately preceding a merger or
22 receipt of new member school districts for an educational service
23 unit shall equal the amount received in such fiscal year pursuant
24 to subdivisions (2) through (6) of this section or sections 79-1241
25 and 79-1243 by any educational service unit affected by the merger
26 or the transfer of school districts multiplied by a ratio equal
27 to the valuation that was transferred to or retained by the

1 educational service unit for which the minimum is being calculated
2 divided by the total valuation of the educational service unit
3 transferring or retaining the territory;

4 (4) For fiscal years 2008-09 through 2013-14, each
5 educational service unit shall receive core services and technology
6 infrastructure funds under this section in an amount not less
7 than ninety-five percent of the total of the core services
8 and technology funds that the educational service unit received
9 in the immediately preceding fiscal year either pursuant to
10 subdivisions (2) through (6) of this section or pursuant to
11 sections 79-1241 and 79-1243, except that if the total amount
12 available to be distributed pursuant to subdivisions (2) through
13 (6) of this section for such year is less than the total amount
14 distributed pursuant to such subsections or sections 79-1241 and
15 79-1243 for the immediately preceding fiscal year, the minimum core
16 services and technology infrastructure funds for each educational
17 service unit pursuant to this subsection shall be reduced by a
18 percentage equal to the ratio of the difference of the total
19 amount distributed pursuant to subdivisions (2) through (6) of
20 this section or sections 79-1241 and 79-1243 for the immediately
21 preceding fiscal year minus the total amount available to be
22 distributed pursuant to subsections (2) through (6) of this
23 section for the fiscal year in question divided by the total
24 amount distributed pursuant to subdivisions (2) through (6) of
25 this section or sections 79-1241 and 79-1243 for the immediately
26 preceding fiscal year;

27 (5) If the minimum core services and technology

1 infrastructure funds pursuant to subdivision (3) or (4) of this
2 section for any educational service unit exceed the amount that
3 would otherwise be distributed to such educational service unit
4 pursuant to subdivision (2) of this section, the statewide student
5 allocation shall be reduced such that the total amount to be
6 distributed pursuant to this section equals the appropriation
7 for core services and technology infrastructure funds and no
8 educational service unit receives less than the greater of any
9 minimum amounts calculated for such educational service unit
10 pursuant to subdivisions (3) and (4) of this section; and

11 (6) The State Department of Education shall certify
12 the distribution of core services and technology infrastructure
13 funds pursuant to subdivisions (2) through (6) of this section
14 to each educational service unit on or before July 1, 2008, for
15 school fiscal year 2008-09 and on or before July 1 for each
16 year thereafter for the following school fiscal year. Any funds
17 appropriated for distribution pursuant to this section shall be
18 distributed in ten as nearly as possible equal payments on the
19 first business day of each month beginning in September of each
20 school fiscal year and ending in June. Funds distributed pursuant
21 to this section shall be used for core services and technology
22 infrastructure with the approval of representatives of two-thirds
23 of the member school districts of the educational service unit,
24 representing a majority of the students in the member school
25 districts.

26 Sec. 23. Section 79-1241.01, Revised Statutes Cumulative
27 Supplement, 2006, is amended to read:

1 79-1241.01 To carry out sections 79-1241 and 79-1243
2 and section 22 of this act, it is the intent of the Legislature
3 to appropriate for each fiscal year the amount appropriated in
4 the prior year increased by the percentage growth in the fall
5 membership of member districts plus the basic allowable growth
6 rate described in section 79-1025. For purposes of this section,
7 fall membership has the same meaning as in section 79-1003. Fall
8 membership data used to compute growth shall be from the two most
9 recently available fall membership reports.

10 Sec. 24. Section 79-1241.02, Revised Statutes Cumulative
11 Supplement, 2006, is amended to read:

12 79-1241.02 It is the intent of the Legislature that any
13 funds appropriated pursuant to ~~the intent of~~ section 79-1241.01 or
14 79-1243 or section 22 of this act and used for technology-related
15 projects or technology initiatives undertaken by an educational
16 service unit follow the review process established in sections
17 86-512 to 86-524, including the review by the technical panel of
18 the Nebraska Information Technology Commission.

19 Sec. 25. Section 79-1243, Revised Statutes Cumulative
20 Supplement, 2006, is amended to read:

21 79-1243 For school fiscal years prior to school fiscal
22 year 2008-09:

23 (1) Funds appropriated for technology infrastructure
24 shall be distributed proportionally to each educational service
25 unit by the State Department of Education based on the fall
26 membership of member districts in the preceding school fiscal year,
27 except that no educational service unit shall receive less than

1 the sum of (a) two and one-half percent of the funds appropriated
2 for technology infrastructure plus (b) eighty-five percent of the
3 difference of the costs for telecommunications services, for access
4 to data transmission networks that transmit data to and from the
5 educational service unit, and for the transmission of data on such
6 networks paid by the educational service unit as reported on the
7 annual financial report for the most recently available complete
8 data year minus the receipts from the federal Universal Service
9 Fund pursuant to section 254 of the Telecommunications Act of 1996,
10 47 U.S.C. 254, as such section existed on January 1, 2006, for the
11 educational service unit as reported on the annual financial report
12 for the most recently available complete data year and minus any
13 receipts from school districts or other educational entities for
14 payment of such costs as reported on the annual financial report of
15 the educational service unit; -

16 (2) Any funds appropriated for distribution pursuant to
17 this section shall be distributed in ten as nearly as possible
18 equal payments on the first business day of each month beginning
19 in September of each school fiscal year and ending in June. Funds
20 distributed pursuant to this section shall be used for technology
21 infrastructure with the approval of representatives of two-thirds
22 of the member school districts, representing a majority of the
23 students in the member school districts; and -

24 (3) If two or more educational service units merge, the
25 resulting merged educational service unit shall, for each of the
26 two fiscal years following the fiscal year in which the merger
27 takes place, receive technology infrastructure funds under this

1 section in an amount not less than the total of the technology
2 infrastructure funds that each of the merging educational service
3 units received in the fiscal year immediately preceding the merger,
4 except that if the appropriation for technology infrastructure
5 funds for either of the two fiscal years following the fiscal year
6 in which the merger takes place is less than the appropriation for
7 such funds for the fiscal year immediately preceding the merger,
8 technology infrastructure funds shall be reduced by a percentage
9 equal to the ratio of the difference of such appropriation
10 for the fiscal year immediately preceding the merger minus the
11 appropriation for the fiscal year in question divided by the
12 appropriation for the fiscal year immediately preceding the merger.
13 Thereafter the distribution of technology infrastructure funds
14 to the merged educational service unit shall be as provided in
15 ~~subsection~~ subdivision (1) of this section.

16 Sec. 26. Section 79-1304, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 79-1304 The Educational Technology Center has, but is not
19 limited to, the following specific duties:

20 (1) To evaluate Internet-based distance education
21 courses;

22 (2) To provide clearinghouse services for information
23 concerning current technology projects as well as software and
24 hardware development;

25 (3) To serve as a demonstration site for state-of-the-art
26 hardware appropriate to an educational setting;

27 (4) To provide technical assistance to educators in

1 working with hardware and software;

2 (5) To provide inservice and preservice training for
3 educators, in conjunction with other educational entities as
4 defined in section ~~79-1332~~, 79-1201.01, in the use of computers,
5 telecommunications, and other electronic technologies appropriate
6 to an educational setting;

7 (6) To sponsor activities which promote the use of
8 technology in the classroom;

9 (7) To serve as a liaison between business and education
10 interests in technology communication;

11 (8) To experiment with various applications or technology
12 in education;

13 (9) To assist schools in planning for and selecting
14 appropriate technologies;

15 (10) To design, implement, and evaluate pilot projects
16 to assess the usefulness of technologies in school management,
17 curriculum, instruction, and learning;

18 (11) To seek partnerships with the Nebraska Educational
19 Telecommunications Commission, the University of Nebraska, the
20 state colleges, community colleges, educational service units, the
21 Nebraska Library Commission, and other public and private entities
22 in order to make effective use of limited resources;

23 (12) To encourage sharing among school districts to
24 deliver cost-efficient and effective distance learning; and

25 (13) To identify, evaluate, and disseminate information
26 on school projects which have the potential to enhance the quality
27 of instruction or learning.

1 Sec. 27. Section 79-1336, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 79-1336 (1) For fiscal years 2007-08 through 2013-14,
4 the State Department of Education shall provide distance education
5 equipment reimbursement to school districts and educational service
6 units from the Education Innovation Fund as provided in this
7 section. Such reimbursements shall be for hardware or software
8 purchased after July 14, 2006, for use in distance education
9 and shall be limited to a total through fiscal year 2013-14 of
10 twenty thousand dollars multiplied by the number of high school
11 buildings for each school district and twenty thousand dollars
12 for each educational service unit office with a distance education
13 classroom, except that no educational service unit shall count
14 more than one office with a distance education classroom for each
15 four thousand square miles within the boundaries of the educational
16 service unit. If a school district has one or more former high
17 school buildings that are no longer being used as high school
18 buildings due to a school district merger and such buildings have
19 distance education classrooms at the time of application, such
20 buildings shall be deemed high school buildings for the purposes
21 of this subsection. The reimbursements may include installation
22 costs for such hardware or software. Applications shall be accepted
23 by the department beginning in the first year that the school
24 district or the educational service unit accesses Network Nebraska
25 and ending June 30, 2013. Applications shall be submitted on or
26 before July 1 of each year on a form specified by the department
27 and shall include:

1 (a) A description of the hardware or software purchased
2 and how the hardware or software will be used for distance
3 education;

4 (b) Copies of receipts for the purchases to be
5 reimbursed; and

6 (c) For school districts, a commitment to either send
7 or receive two-way interactive video distance education courses
8 through the Distance Education Council until July 1, 2008, and the
9 Educational Service Unit Coordinating Council on and after July
10 1, 2008, each semester, or the equivalent of two semester courses
11 each year, for four years and to apply for distance education
12 incentives pursuant to section 79-1337 or to provide any other
13 evidence required by the department to show that the commitment was
14 met.

15 (2) On or before August 1 of each year, the department
16 shall certify the reimbursements to be paid to each school district
17 or educational service unit on or before September 1 of each year.

18 (3) The department shall use the applications for
19 distance education incentives submitted pursuant to section 79-1337
20 and any other information requested by the department pursuant to
21 rules and regulations of the department to verify that each school
22 district that received a reimbursement completes the commitment to
23 either send or receive two-way interactive video distance education
24 courses through the ~~Distance Education Council~~ council for four
25 years. Any school district failing to complete such commitment
26 shall repay the Education Innovation Fund for the amount of any
27 reimbursements received pursuant to this section. On or before

1 September 1 of each year, the department shall notify any school
2 district failing to complete the commitment for the prior school
3 year that repayment of the reimbursement is required and the
4 amount of such repayment. Repayments shall be due on or before the
5 immediately following December 31. Late repayments shall accrue
6 interest at the rate prescribed in section 45-104.02 from the date
7 of the initial reimbursement.

8 (4) On or before October 1 of each year, a school
9 district or educational service unit may appeal the denial of
10 reimbursements or a school district may appeal the requirement to
11 repay reimbursements to the State Board of Education. The board
12 shall allow a representative of the school district or educational
13 service unit an opportunity to present information concerning the
14 appeal to the board at the November board meeting. If the board
15 finds that the department denied the reimbursement in error, the
16 department shall pay the district or educational service unit from
17 the Education Innovation Fund as soon as practical the amount which
18 was denied in error. If the board finds that the department erred
19 in notifying a school district that a reimbursement is required to
20 be repaid, such notification shall be void.

21 (5) The State Board of Education shall adopt and
22 promulgate rules and regulations to carry out this section.

23 Sec. 28. Section 79-1337, Revised Statutes Cumulative
24 Supplement, 2006, is amended to read:

25 79-1337 (1) For fiscal years 2007-08 through 2015-16,
26 the State Department of Education shall provide distance education
27 incentives from the Education Innovation Fund to school districts

1 and educational service units for qualified distance education
2 courses and coordinated through the Distance Education Council
3 until July 1, 2008, and the Educational Service Unit Coordinating
4 Council on and after July 1, 2008, as provided in this section.

5 (2) School districts and educational service units shall
6 apply for incentives annually to the department on or before August
7 1 on a form specified by the department. The application shall:

8 (a) For school districts, specify (i) the qualified
9 distance education courses which were received by students in the
10 membership of the district in the then-current school fiscal year
11 and which were not taught by a teacher employed by the school
12 district and (ii) for each such course (A) the number of students
13 in the membership of the district who received the course, (B)
14 the educational entity employing the teacher, and (C) whether the
15 course was a two-way interactive video distance education course;
16 and

17 (b) For school districts and educational service units,
18 specify (i) the qualified distance education courses which were
19 received by students in the membership of another educational
20 entity in the then-current school fiscal year and which were
21 taught by a teacher employed by the school district or educational
22 service unit, (ii) for each such course for school districts,
23 the number of students in the membership of the district who
24 received the course, and (iii) for each such course (A) the other
25 educational entities in which students received the course and how
26 many students received the course at such educational entities,
27 (B) any school districts in the sparse cost grouping or the very

1 sparse cost grouping as described in section 79-1007.02 that had
2 at least one student in the membership who received the course,
3 and (C) whether the course was a two-way interactive video distance
4 education course.

5 (3) On or before September 1 of each year, the department
6 shall certify the incentives to be paid to each school district and
7 educational service unit on or before October 1 of each year. The
8 incentives for each district shall be calculated as follows:

9 (a) Each district shall receive distance education units
10 for each qualified distance education course as follows:

11 (i) One distance education unit for each qualified
12 distance education course received as reported pursuant to
13 subdivision (2)(a) of this section if the course was a two-way
14 interactive video distance education course;

15 (ii) One distance education unit for each qualified
16 distance education course sent as reported pursuant to subdivision
17 (2)(b) of this section if the course was not received by at least
18 one student who was in the membership of another school district
19 which was in the sparse cost grouping or the very sparse cost
20 grouping;

21 (iii) One distance education unit for each qualified
22 distance education course sent as reported pursuant to subdivision
23 (2)(b) of this section if the course was received by at least
24 one student who was in the membership of another school district
25 which was in the sparse cost grouping or the very sparse cost
26 grouping, but the course was not a two-way interactive video
27 distance education course; and

1 (iv) Two distance education units for each qualified
2 distance education course sent as reported pursuant to subdivision
3 (2) (b) of this section if the course was received by at least one
4 student who was in the membership of another school district which
5 was in the sparse cost grouping or the very sparse cost grouping
6 and the course was a two-way interactive video distance education
7 course;

8 (b) The difference of the amount available for
9 distribution in the Education Innovation Fund on the August 1 when
10 the applications were due minus any amount to be paid to school
11 districts pursuant to section 79-1336 shall be divided by the
12 number of distance education units to determine the incentive per
13 distance education unit, except that the incentive per distance
14 education unit shall not equal an amount greater than one thousand
15 dollars; and

16 (c) The incentives for each school district shall equal
17 the number of distance education units calculated for the school
18 district multiplied by the incentive per distance education unit.

19 (4) If there are additional funds available for
20 distribution after equipment reimbursements pursuant to section
21 79-1336 and incentives calculated pursuant to subsections (1) to
22 (3) of this section, school districts and educational service
23 units may qualify for additional incentives for elementary distance
24 education courses. Such incentives shall be calculated for sending
25 and receiving school districts and educational service units as
26 follows:

27 (a) The per hour incentives shall equal the funds

1 available for distribution after equipment reimbursements pursuant
2 to section 79-1336 and incentives calculated pursuant to
3 subsections (1) through (3) of this section divided by the sum of
4 the hours of elementary distance education course sent or received
5 for each school district and educational service unit submitting
6 an application, except that the per hour incentives shall not be
7 greater than ten dollars;

8 (b) The elementary distance education incentives for each
9 school district and educational service unit shall equal the per
10 hour incentive multiplied by the hours of elementary distance
11 education course sent or received by the school district or
12 educational service unit.

13 ~~(4)~~ (5) The department may verify any or all application
14 information using annual curriculum reports and may request such
15 verification from the ~~Distance Education Council.~~ council.

16 ~~(5)~~ (6) On or before October 1 of each year, a school
17 district or educational service unit may appeal the denial of
18 incentives for any course by the department to the State Board of
19 Education. The board shall allow a representative of the school
20 district or educational service unit an opportunity to present
21 information concerning the appeal to the board at the November
22 board meeting. If the board finds that the course meets the
23 requirements of this section, the department shall pay the district
24 from the Education Innovation Fund as soon as practical in an
25 amount for which the district or educational service unit should
26 have qualified based on the incentive per distance education unit
27 used in the original certification of incentives pursuant to this

1 section.

2 ~~(6)~~ (7) The State Board of Education shall adopt and
3 promulgate rules and regulations to carry out this section.

4 Sec. 29. Section 86-515, Revised Statutes Cumulative
5 Supplement, 2006, is amended to read:

6 86-515 (1) The Nebraska Information Technology Commission
7 is created. The commission shall consist of (a) one member
8 representing elementary and secondary education, (b) one member
9 representing postsecondary education, (c) the Governor or his or
10 her designee, (d) one member representing communities, and (e)
11 five members representing the general public who have experience
12 in developing strategic plans and making high-level business
13 decisions. At any time that there is not a member of the ~~Distance~~
14 ~~Education~~ Educational Service Unit Coordinating Council serving
15 on the Nebraska Information Technology Commission, the technical
16 panel established pursuant to section 86-521, or any working groups
17 established pursuant to sections 86-512 to 86-524 that establish,
18 coordinate, or prioritize needs for education, the Governor shall
19 appoint to the commission one member who serves on the ~~Distance~~
20 ~~Education~~ Educational Service Unit Coordinating Council.

21 (2) The Governor or a designee of the Governor shall
22 serve as chairperson of the commission.

23 (3) The members of the commission shall be appointed by
24 the Governor with the approval of a majority of the Legislature.
25 Members of the commission shall serve for terms of four years,
26 except that two members initially appointed to represent the
27 general public shall be appointed for a term of two years and any

1 member appointed to represent the ~~Distance Education~~ Educational
2 Service Unit Coordinating Council shall be appointed for a term
3 of one year. Members shall be limited to two consecutive terms.
4 The Governor or his or her designee shall serve on the commission
5 for his or her term. Each member shall serve until the appointment
6 and qualification of his or her successor. In case of a vacancy
7 occurring prior to the expiration of the term of a member, the
8 appointment shall be made only for the remainder of the term.

9 (4) Members shall be reimbursed for their actual and
10 necessary expenses as provided in sections 81-1174 to 81-1177.

11 (5) The commission may employ or designate an executive
12 director to provide administrative and operational support for
13 the commission. The Department of Administrative Services and
14 Nebraska Educational Telecommunications Commission shall assist
15 with administrative and operational support for the Nebraska
16 Information Technology Commission as necessary to carry out its
17 duties.

18 Sec. 30. Section 86-5,100, Revised Statutes Cumulative
19 Supplement, 2006, is amended to read:

20 86-5,100 The Chief Information Officer, in partnership
21 with the University of Nebraska, shall develop and maintain a
22 statewide, multipurpose, high capacity, scalable telecommunications
23 network to be called Network Nebraska. The network shall consist
24 of contractual arrangements with providers to meet the demand
25 of state agencies, local governments, and educational entities
26 as defined in section ~~79-1332.~~ 79-1201.01. Such network shall
27 provide access to a reliable and affordable infrastructure capable

1 of carrying a spectrum of services and applications, including
2 distance education, across the state. The Chief Information Officer
3 shall provide access to each school district, each educational
4 service unit, each community college, each state college, and
5 the University of Nebraska at the earliest feasible date and
6 no later than July 1, 2012. Access may be provided through
7 educational service units or other aggregation points. The Chief
8 Information Officer shall aggregate demand for those state agencies
9 and educational entities choosing to participate and shall reduce
10 costs for participants whenever feasible. The Chief Information
11 Officer shall establish a cost structure based on actual costs plus
12 administrative expenses and shall charge participants according to
13 such cost structure.

14 Sec. 31. (1) For fiscal years 2007-08 through 2009-10,
15 the State Department of Education shall provide temporary funding
16 for aggregation routing equipment and network transport costs
17 for Network Nebraska to the Chief Information Officer from the
18 School District Reorganization Fund as provided in this section.
19 Such temporary funding shall be for the purchase of aggregation
20 routing equipment, installation costs for such equipment, and
21 network transport for Network Nebraska and shall be repaid to the
22 Education Innovation Fund on or before June 30, 2010, by the Chief
23 Information Officer from funds collected for the administration of
24 Network Nebraska. The total temporary funding provided pursuant to
25 this section shall be limited to two hundred thousand dollars.
26 Applications jointly submitted by the Chief Information Officer and
27 the University of Nebraska shall be accepted by the department

1 beginning on the operative date of this section. Applications shall
2 be on a form specified by the department and shall include a
3 description of the aggregation routing equipment to be purchased,
4 a description of how the aggregation routing equipment will be
5 used for distance education, the network transport costs to be
6 supported, and a timeline for repayment to the School District
7 Reorganization Fund. Late repayments shall accrue interest at the
8 rate prescribed in section 45-104.02 from the date of the initial
9 receipt of temporary funding.

10 (2) The Chief Information Officer or the University of
11 Nebraska may appeal the denial of temporary funding for aggregation
12 routing equipment and network transport costs for Network Nebraska
13 or the assessment of interest to the State Board of Education. The
14 board shall allow a representative of the Chief Information Officer
15 or the University of Nebraska an opportunity to present information
16 concerning the appeal to the board at the first board meeting after
17 the filing of such appeal. If the board finds that the department
18 denied the temporary funding in error, the department shall pay the
19 Chief Information Officer from the School District Reorganization
20 Fund as soon as practical the amount which was denied in error. If
21 the board finds that the department erred in assessing interest,
22 such assessment of interest shall be corrected.

23 (3) The State Board of Education may adopt and promulgate
24 rules and regulations to carry out this section.

25 Sec. 32. Sections 7, 14, 15, 16, 17, 18, 19, 20,
26 26, 29, 30, 33, and 36 of this act become operative on July
27 1, 2008. Sections 3, 6, 8, 10, 31, 32, 35, and 37 become

1 operative on their effective date. The other sections of this act
2 become operative three calendar months after adjournment of this
3 legislative session.

4 Sec. 33. Original section 79-1201.01, Reissue Revised
5 Statutes of Nebraska, and sections 79-1223, 79-1233, 79-1304,
6 79-1334, 79-1335, 86-515, and 86-5,100, Revised Statutes Cumulative
7 Supplement, 2006, are repealed.

8 Sec. 34. Original sections 32-515, 32-607, 79-1208,
9 79-1212, 79-1217, and 79-1241, Reissue Revised Statutes of
10 Nebraska, sections 79-1018.01, 79-1241.01, 79-1241.02, 79-1243,
11 79-1336, and 79-1337, Revised Statutes Cumulative Supplement, 2006,
12 and section 79-1028, Revised Statutes Cumulative Supplement, 2006,
13 as affected by Referendum 2006, No. 422, are repealed.

14 Sec. 35. Original sections 79-1201 and 79-1211, Reissue
15 Revised Statutes of Nebraska, and section 79-1012, Revised Statutes
16 Cumulative Supplement, 2006, are repealed.

17 Sec. 36. The following sections are outright repealed:
18 Sections 79-1332 and 79-1333, Revised Statutes Cumulative
19 Supplement, 2006.

20 Sec. 37. Since an emergency exists, this act takes effect
21 when passed and approved according to law.